IDENTIFYING OPPORTUNITIES.
DRIVING DEVELOPMENTS.

CREATING VALUE THROUGH DILIGENCE AND FORESIGHT

FINANCIAL YEAR 2018/2019

FRANKFURT/MAIN, 10 DECEMBER 2019
1.1 BILLION EURO FUNDRAISING FOR DBAG FUND VIII

- Volume of assets under management/advisory rises to around 2.5 billion euros
- DBAG increases co-investment commitments by more than 25 per cent

STRATEGIC DECISIONS BEAR FRUIT

- Increasing importance of new focus sectors
- A broader offering for Mittelstand companies

NET INCOME BEATS FORECAST

- Net asset value (pre-dividend) increases by around five per cent
- Industrial companies lag performance
- Dividend to rise to 1.50 euros per share

CAUTIOUS STANCE ON 2019/2020

- Industrial sector enters recession: industrial portfolio companies lag performance
- Structural changes in the automotive industry and trade conflicts trigger uncertainty that is likely to stay
Torsten Grede
› Fundraising for DBAG Fund VIII
› Strategic decisions
› Outlook for 2019/2020

Susanne Zeidler
› Targets and results in the past financial year
› Further developments of the target system
› Financial outlook

TORSTEN GREDE
Spokesman of the Board of Management

SUSANNE ZEIDLER
Chief Financial Officer
**Target level: 1.1 billion euros**
- Commitments so far: 1.050 billion euros (including DBAG's co-investment programme)

**DBAG's co-investment programme grows around 25 per cent to reach 255 million euros**
- of which: 210 million euros for the principal fund (DBAG Fund VII: 183 million euros)
- of which: 45 million euros for the top-up fund (DBAG Fund VII: 17 million euros)

**Terms continue to be favourable**
New: investments deploying only DBAG's own financial resources ("Principal Investments")

- Investment opportunities beyond the investment strategy of the funds we advise
  - Scenarios in which long-term equity is required
  - In particular, minority shareholdings in family-owned businesses
- Option of joining forces with co-investors

Selective smaller buyouts (20–40 million euros in equity) through DBAG Fund VIII

DBAG ECF investment strategy to be continued with Principal Investments and, on a selective basis, through DBAG Fund VIII (smaller MBOs)
FURTHER DEVELOPMENT OF OUR INVESTMENT STRATEGY

INVESTMENT STRATEGY: STRATEGIC DECISIONS SINCE 2013

... HAS BEEN GRADUALLY EXPANDED OVER THE PAST YEARS

EQUITY INVESTMENT
40–100 MILLION EUROS

› 2016: Top-up funds (DBAG Fund VII) for MBOs > 100 million euros
› 2017: DBAG ECF – available for smaller-sized MBOs as well
› 2020: Principal Investments

INVESTMENT CASE
STRONG MARKET POSITION AND DEVELOPMENT POTENTIAL

› Focus on supporting portfolios with the aim of strategic repositioning
› 42 acquisitions since 2011
› Currently five buy-and-build platforms

SECTORS
FOUR CORE SECTORS
THREE NEW FOCUS SECTORS

› Since 2013: investments expanded to include non-core sectors, subject to suitable access
› New focus sectors: broadband telecommunications, IT services/software, healthcare

REGIONS
GERMANY, AUSTRIA, SWITZERLAND (DACH); NEIGHBOURING EUROPEAN COUNTRIES (CORE SECTORS)

› Market leader, with 53 MBOs in German mid-market companies since buyout business first started
› Since 2015: Italian market covered
blikk
› Healthcare focus sector
› Use of the top-up fund

Cloudflight
› IT services/software focus sector
› Acquired from company founders
› Additional acquisition agreed as part of the transaction

inexio
› Very successful disposal of the first investment belonging to the broadband telecommunications focus sector, with a capital multiple of 7.5x
› Growth financing: capital increases, acquisition of further shares

Cartonplast
› Industrial services core sector
› MBO in DBAG Fund VII (closing in 11/2019)
› Use of the top-up fund
› DBAG's largest investment (26.0 million euros, 16.4 per cent stake)
Changes in the market
› Number and volume of focus sector transactions are on the rise: one in three MBOs in 2018 stemmed from DBAG focus sectors
› (Younger) company founders starting to embrace private equity
Growing and broadening our investment strategy is protected by the expansion of supporting functions
› Research
› Business development
› Legal

HR re-positioned
› Broader scope for selecting new members of the investment team
› Stronger presence at European universities
› Digitalised recruiting process

New non-financial objective of retaining experienced and motivated employees

Investment team to be expanded in 2019/2020
Automotive supply as well as mechanical and plant engineering remain important sectors
› Limited market potential, however
› Business model selection more important than ever

Experience built over more than five decades helps to identify game-changing business models

Focus sectors: strongly growing market volume

Sellers are mostly company founders
› More open attitude towards private equity

Most markets are highly fragmented, with private equity enabling faster growth

Number and transaction volumes based on MBOs in the mid-market segment (transaction volumes between 50 and 250 million euros)
MARKET COVERAGE
- Ongoing investment activity
  - Financing: two-tier market – caution on industrial business models

PORTFOLIO DEVELOPMENT
- Strong acquisition pipeline
  - Positive impact from change processes subject to delays in some cases

DEAL FLOW AND PRICES
- Stable, but with shifts from industrial to other sectors
  - Pricing expectations remain demanding

FRAMEWORK SCENARIO 2020:

- Ongoing uncertainty has an disproportionate impact on cyclical business models
  - Structural changes in the automotive industry
  - US-China trade conflict, Brexit and other protectionist efforts

NEW FINANCIAL YEAR KICKS OFF WITH INCREASED UNCERTAINTY
Torsten Grede
› Fundraising for DBAG Fund VIII
› Strategic decisions
› Outlook for 2019/2020

Susanne Zeidler
› Targets and results in the past financial year
› Further developments of the target system
› Financial outlook
Core business objective achieved: Long-term company value has been increased.

Targets and results in the past financial year:

- **Net income**: 45.9 million euros
- **Return on equity per share**: 9.1 per cent
- **Total shareholder return**: 2.0 per cent
TARGETS OF DEUTSCHE BETEILIGUNGS AG

FINANCIAL TARGETS

VALUE CONTRIBUTION FROM FUND INVESTMENT SERVICES

BUILD THE VALUE OF PORTFOLIO COMPANIES

SHAREHOLDER PARTICIPATION IN SUCCESS – THROUGH A STABLE (AND PREFERABLY INCREASING) DIVIDEND

CORE BUSINESS OBJECTIVE
LONG-TERM INCREASE OF DBAG’S ENTERPRISE VALUE

SUPPORT OF PROMISING MID-SIZED BUSINESS MODELS

MAINTAIN AND BUILD ON OUR REPUTATION IN THE PRIVATE EQUITY MARKET

GARNERING ESTEEM AS ADVISORS OF PRIVATE EQUITY FUNDS

NON-FINANCIAL TARGETS
FUND INVESTMENT SERVICES MAKE SMALLER VALUE CONTRIBUTION THAN PLANNED, FOLLOWING DISPOSALS

### FUND INVESTMENT SERVICES SEGMENT

**2017/2018 (€mn)**

<table>
<thead>
<tr>
<th>Fee income from Fund Investment Services (€mn)</th>
<th>Earnings before tax (€mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>29.7</td>
<td>5.6</td>
</tr>
</tbody>
</table>

**2018/2019 (€mn)**

<table>
<thead>
<tr>
<th>Fee income from Fund Investment Services (€mn)</th>
<th>Earnings before tax (€mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>28.2</td>
<td>3.0</td>
</tr>
</tbody>
</table>
PORTFOLIO VALUE INCREASES BY 21 PER CENT

PORTFOLIO VALUE DEVELOPMENT
(million euros)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio value 30.9.2018</td>
<td>348.7</td>
</tr>
<tr>
<td>Additions</td>
<td>78.4</td>
</tr>
<tr>
<td>Disposals</td>
<td>-54.3</td>
</tr>
<tr>
<td>Change in value</td>
<td>49.3</td>
</tr>
<tr>
<td>Gross portfolio value 30.9.2019</td>
<td>422.1</td>
</tr>
<tr>
<td>Minority interest in investment entity</td>
<td>-39.9</td>
</tr>
<tr>
<td>subsidiaries (Carried Interest)</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>3.4</td>
</tr>
<tr>
<td>Financials assets incl. loans and</td>
<td>385.7</td>
</tr>
<tr>
<td>receivables</td>
<td></td>
</tr>
</tbody>
</table>

"Other" predominantly reflects other assets and liabilities of investment entity subsidiaries

Portfolio value as at 30 Sept 2018 restated in accordance with IAS 8
SUCCESSFUL DISPOSALS LAY THE FOUNDATION FOR NET GAINS ON MEASUREMENT AND DERECOGNITION

**Earnings contribution from disposals**
- Net gains and losses on derecognition: 13.3 million euros
- Unrealised net gains and losses on derecognition resulting from the agreed disposal of inexio: 39.7 million euros*
- Total: 53.0 million euros (previous year: 12.4 million euros)

**Earnings contribution from changes in multiples**
- Adjusted for unrealised net gains and losses on derecognition: -22.7 million euros (previous year: 3.6 million euros)

**Earnings contribution from the operating performance of the portfolio companies**
- Net amount of changes in earnings and changes in debt
- Doubled over the previous year (33.8 million euros, previous year: 16.1 million euros)

* included in “Change in multiples”
INDUSTRIAL COMPANIES SUFFER FROM RECESSION, FOCUS-SECTOR APPROACH PROVES SUCCESSFUL

TARGETS AND RESULTS IN THE PAST FINANCIAL YEAR

INDUSTRIAL COMPANIES SUFFER FROM RECESSION, FOCUS-SECTOR APPROACH PROVES SUCCESSFUL

Revenue growth

4.7%

Change in EBITDA

0.2%

Debt (net debt/EBITDA)

2.4x

Revenue growth

31.6%

Change in EBITDA

29.8%

Debt (net debt/EBITDA)

4.5x

13 core sector companies

13 core sector companies

4 focus sector companies

Base date and value: portfolio companies that were present in the portfolio throughout 2018/2019, excluding inexio
**SOME CORE SECTOR COMPANIES LAG PERFORMANCE**

<table>
<thead>
<tr>
<th>TOTAL PORTFOLIO</th>
<th>15 CORE SECTOR COMPANIES</th>
<th>7 FOCUS SECTOR COMPANIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>(value according to vintage profile, in million euros)</td>
<td>(value according to vintage profile, in million euros)</td>
<td>(value according to vintage profile, in million euros)</td>
</tr>
<tr>
<td>Acquisition cost</td>
<td>Acquisition cost</td>
<td>Acquisition cost</td>
</tr>
<tr>
<td>IFRS value</td>
<td>IFRS value</td>
<td>IFRS value</td>
</tr>
<tr>
<td>&lt; 2 years</td>
<td>&lt; 2 years</td>
<td>&lt; 2 years</td>
</tr>
<tr>
<td>&gt; 2 years</td>
<td>&gt; 2 years</td>
<td>&gt; 2 years</td>
</tr>
<tr>
<td>199.1</td>
<td>120.1</td>
<td>15.8</td>
</tr>
<tr>
<td>112.5</td>
<td>51.8</td>
<td>49.0</td>
</tr>
<tr>
<td>121.2</td>
<td>44.5</td>
<td>61.0</td>
</tr>
</tbody>
</table>

**TARGETS AND RESULTS IN THE PAST FINANCIAL YEAR**

**7.8x EBITDA**

**7.5x EBITDA**

**8.5x EBITDA**
CASH FLOW FROM INVESTING ACTIVITIES (€mn)

Proceeds from disposals of financial assets and loans and receivables
Payments for investments in financial assets and loans and receivables
Proceeds from disposal of other financial instruments
Payments for investments in other financial instruments
Cash flow from investing activities

2017/2018  2018/2019

62.2  53.5
30.3  36.5
-63.8 -33.6
-93.4 -37.8
-15.5 -30.6
Distribution of 21.8 million euros in February 2019
› Restricting growth in net asset value
› Consciously-accepted conflict of goals

Special effects distort financial resources as per both reporting dates
› As at 30 Sept 2018: overstated by advisory fees for FY 2018/2019 already received and to-be-paid-up capital call; 13.4 million euros in total
› As at 30 Sept 2019: understated by withholding tax assets and pending advisory fees; 10.9 million euros in total
Returns from inexio disposal
› Following closure of the in the new financial year
› 44 million euros in total

With the start of the DBAG Fund VIII investment period, co-investment commitments are to rise by 255 million euros

Principal Investments drive liquidity requirements
HAVING SHAREHOLDERS PARTICIPATE IN OUR SUCCESS: DIVIDEND PROPOSAL RAISED TO 1.50 EUROS

TARGETS AND RESULTS IN THE PAST FINANCIAL YEAR

STABLE DIVIDEND

- Net retained profit (HGB) allows for stable dividend, also for subsequent financial years

HIGHER, WHENEVER POSSIBLE

- Dividend proposal translates into an increase of four percent year-on-year

ATTRACTIVE DIVIDEND YIELD

- Compared with the market (S-Dax) and other PE companies

DIVIDEND 2018/2019

- 1.50 EUROS PER SHARE

PER CENT DIVIDEND YIELD\(^1\)

- 4.4

\(^1\) The calculation is based on the average closing price of DBAG’s shares in the financial year 2018/2019.
FURTHER DEVELOPMENTS OF THE TARGET SYSTEM

STRIKING AN EVEN BETTER BALANCE WHEN CONSIDERING ALL RELEVANT STAKEHOLDERS

1. BUILD THE VALUE OF PRIVATE EQUITY INVESTMENTS
   - GARNERING ESTEEM AS A FINANCIAL INVESTOR IN MID-SIZED COMPANIES

2. BUILD THE VALUE OF FUND INVESTMENT SERVICES
   - GARNERING ESTEEM AS ADVISORS OF PRIVATE EQUITY FUNDS

FINANCIAL TARGETS

SHAREHOLDER PARTICIPATION IN SUCCESS – THROUGH A STABLE (AND PREFERABLY INCREASING) DIVIDEND

NON-FINANCIAL TARGETS

CORE BUSINESS OBJECTIVE
LONG-TERM INCREASE OF DBAG’S ENTERPRISE VALUE

NEW ASPECT:
RETAIN EXPERIENCED AND MOTIVATED EMPLOYEES

PRESS AND ANALYSTS’ CONFERENCE 2018/2019 – FRANKFURT/MAIN, 10 DECEMBER 2019
To date: met, if return on equity surpasses cost of equity on a ten-year average

Going forward:
› General Company value = sum of the values of the two business segments
› Valuation, however, remains subjective
› DBAG itself does not perform the valuations for its business segments, but provides the market with the basis for such a valuation
› Market valuation is measured through performance for shareholders

Financial performance indicators:

<table>
<thead>
<tr>
<th>GOING FORWARD:</th>
<th>TO DATE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net asset value</td>
<td>Net income</td>
</tr>
<tr>
<td>Earnings generated by Fund</td>
<td>Return on equity per share</td>
</tr>
<tr>
<td>Investment Services</td>
<td>Performance for shareholders</td>
</tr>
<tr>
<td>Performance for shareholders</td>
<td></td>
</tr>
</tbody>
</table>
### Build the Value of Private Equity Investments

**Going Forward:**
- Net asset value

**To Date:**
- Portfolio value

### Build the Value of Fund Investment Services

**Going Forward:**
- Earnings generated by Fund Investment Services

**To Date:**
- Volume of assets under management

### Shareholder Participation in Success – Through Dividends

**Going Forward:**
- Dividend per share

**To Date:**
- Dividend per share

### Garnering Esteem as a Financial Investor Active in the Mittelstand

**Going Forward:**
- Investment opportunities per year
- Capital commitments by investors in previous DBAG Funds (%)

**To Date:**
- n/a
- n/a

### Garnering Esteem as Advisors of Private Equity Funds

**Going Forward:**
- Average length of service

**To Date:**
- n/a
- n/a

---

**Further Developments of the Target System**

Some financial and non-financial performance indicators have been adjusted.
## Financial Outlook

**Economic Environment Warrants a Cautious Outlook**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Asset Value</strong></td>
<td>472.1 million euros</td>
<td>Slightly lower</td>
<td>Significantly higher</td>
</tr>
<tr>
<td><strong>Net Income from Fund Investment Services</strong></td>
<td>3.0 million euros</td>
<td>Significantly higher</td>
<td>Moderately higher</td>
</tr>
<tr>
<td><strong>Dividend per Share</strong></td>
<td>€1.50</td>
<td>No change</td>
<td>No change</td>
</tr>
<tr>
<td><strong>Investment Opportunities p.a.</strong></td>
<td>258</td>
<td>No change</td>
<td>No change</td>
</tr>
<tr>
<td><strong>Capital Commitments by Investors in Previous DBAG Funds (in %)</strong></td>
<td>&gt; 75</td>
<td>No change</td>
<td>No change</td>
</tr>
<tr>
<td><strong>Average Length of Service</strong></td>
<td>7.6 years</td>
<td>No change</td>
<td>No change</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>45.9 million euros</td>
<td>Moderately lower</td>
<td>Significantly higher</td>
</tr>
</tbody>
</table>

*Typically, net income may fluctuate considerably, which is why reference is made to the average of the past five years (46.8 million euros) and other grading; “slight”: +/- 0 to 10% “moderate”: +/- 10 to 20% “significant”: > +/- 20%*